

SUMMIT CHRISTIAN COLLEGE
FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

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**DANA F. COLE
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Summit Christian College
Gering, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of Summit Christian College (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Summit Christian College as of June 30, 2021 and 2020, and changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Summit Christian College's basic financial statements. The composite score supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The composite score supplemental schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the composite score supplemental schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 28, 2021, on our consideration of Summit Christian College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Summit Christian College's internal control over financial reporting and compliance.

Dana F Cole + Company, LLP

Scottsbluff, Nebraska
October 28, 2021

SUMMIT CHRISTIAN COLLEGE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	ASSETS	2021	2020
CURRENT ASSETS			
Cash and cash equivalents		159,764	196,242
Accounts receivable		4,998	2,792
Contributions receivable		4,600	
Deposits receivable		1,150	1,150
Prepaid expenses		3,225	3,075
Total current assets		<u>173,737</u>	<u>203,259</u>
PROPERTY AND EQUIPMENT			
Land		21,250	21,250
Buildings and improvements		613,198	613,198
Furniture and fixtures		55,197	55,197
Equipment		87,751	41,740
Vehicles		60,153	46,095
Library		301,377	301,377
Total property and equipment		<u>1,138,926</u>	<u>1,078,857</u>
Less accumulated depreciation		<u>(301,518)</u>	<u>(277,546)</u>
Total property and equipment net of depreciation		<u>837,408</u>	<u>801,311</u>
OTHER ASSETS			
Investments		<u>141,028</u>	<u>39,598</u>
TOTAL ASSETS		<u><u>1,152,173</u></u>	<u><u>1,044,168</u></u>

See accompanying notes to financial statements.

SUMMIT CHRISTIAN COLLEGE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	13,354	10,976
Accrued expenses	9,440	9,557
Other current liabilities	4,543	2,227
Unearned grant revenue	80,323	
Short-term note payable		109,758
Current portion of long-term liabilities	10,012	9,422
Total current liabilities	<u>117,672</u>	<u>141,940</u>
 LONG-TERM LIABILITIES		
Notes payable (net of current maturities)	<u>128,615</u>	<u>138,580</u>
 TOTAL LIABILITIES	 <u>246,287</u>	 <u>280,520</u>
 NET ASSETS		
Net assets without donor restrictions		
Board-designated	1,385	4,838
Undesignated	753,086	713,128
Net assets with donor restrictions		
Restricted by purpose or time	14,971	10,223
Restricted in perpetuity	136,444	35,459
Total net assets	<u>905,886</u>	<u>763,648</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>1,152,173</u>	 <u>1,044,168</u>

SUMMIT CHRISTIAN COLLEGE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE AND SUPPORT		
Student revenues		
Tuition and fees	148,972	112,480
Room and board	24,144	15,082
Less student aid	<u>(140,234)</u>	<u>(32,793)</u>
Total student revenues	<u>32,882</u>	<u>94,769</u>
Other revenues		
Private contributions	290,168	542,622
Grants	386,387	10,212
Fundraising events	125,437	109,038
Miscellaneous income	5,083	9,230
Investment income	<u>548</u>	<u>751</u>
Total other revenues	<u>807,623</u>	<u>671,853</u>
Net assets released from restrictions	<u>436</u>	<u>264</u>
Total revenue and support	<u>840,941</u>	<u>766,886</u>
EXPENSE		
Program services		
Instruction	195,319	154,949
Academic support	41,642	22,964
Student services	26,019	20,450
Auxiliary expense	<u>6,664</u>	<u>6,294</u>
Total program services	<u>269,644</u>	<u>204,657</u>
Other expense		
Management and general	426,029	350,068
Fundraising	75,335	75,570
Depreciation	23,972	15,499
Interest expense	<u>9,456</u>	<u>13,078</u>
Total other expense	<u>534,792</u>	<u>454,215</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>36,505</u>	<u>108,014</u>

SUMMIT CHRISTIAN COLLEGE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	104,985	
Investment income	1,184	556
Net assets released from restrictions	<u>(436)</u>	<u>(264)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>105,733</u>	<u>292</u>
TOTAL CHANGE IN NET ASSETS	142,238	108,306
NET ASSETS, beginning of year	<u>763,648</u>	<u>655,342</u>
NET ASSETS, end of year	<u>905,886</u>	<u>763,648</u>

See accompanying notes to financial statements.

SUMMIT CHRISTIAN COLLEGE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Instruction	Academic Support	Student Services	Auxiliary Expense	Management and Government	Fund- Raising	Total
Personnel expense	142,698	19,288	14,883	4,860	223,229	53,756	458,714
Education and training	204	3,019			150		3,373
Purchased services	990	6,020	7,422		125,231		139,663
Advertising and promotion					21,429	2,169	23,598
Supplies and materials	37,944	13,315			9,406		60,665
Activities and events			3,714		8,451	15,487	27,652
Repairs and maintenance				1,804	28,261	351	30,416
Other expense	<u>13,483</u>	<u> </u>	<u> </u>	<u> </u>	<u>9,872</u>	<u>3,572</u>	<u>26,927</u>
	<u>195,319</u>	<u>41,642</u>	<u>26,019</u>	<u>6,664</u>	<u>426,029</u>	<u>75,335</u>	<u>771,008</u>

See accompanying notes to financial statements.

SUMMIT CHRISTIAN COLLEGE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Instruction	Academic Support	Student Services	Auxiliary Expense	Management and Government	Fund- Raising	Total
Personnel expense	142,484	15,771	10,122	4,590	206,698	47,999	427,664
Employee benefits							
Education and training	192				5		197
Purchased services	4,944	5,400	5,830		88,487		104,661
Advertising and promotion					3,635	2,235	5,870
Supplies and materials	10	1,562			7,632		9,204
Activities and events			4,498		7,387	21,632	33,517
Repairs and maintenance				1,704	24,301	9	26,014
Other expense	<u>7,319</u>	<u>231</u>	<u>_____</u>	<u>_____</u>	<u>11,923</u>	<u>3,695</u>	<u>23,168</u>
	<u>154,949</u>	<u>22,964</u>	<u>20,450</u>	<u>6,294</u>	<u>350,068</u>	<u>75,570</u>	<u>630,295</u>

See accompanying notes to financial statements.

SUMMIT CHRISTIAN COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<u>142,238</u>	<u>108,306</u>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	23,972	15,499
Loss on sale of equipment		
(Increase) decrease in:		
Accounts receivable	(2,206)	620
Contributions receivable	(4,600)	
Prepaid expense	(150)	(93)
Increase (decrease) in:		
Accounts payable	2,378	2,850
Accrued expenses	(117)	(3,698)
Accrued interest payable		(545)
Other current liabilities	2,316	(1,636)
Unearned grant revenue	<u>80,323</u>	
Total adjustments	<u>101,916</u>	<u>12,997</u>
Net cash provided by operating activities	<u>244,154</u>	<u>121,303</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for the purchase of property and equipment	(60,069)	
Cash paid for investments	<u>(101,430)</u>	<u>(1,194)</u>
Net cash used in investing activities	<u>(161,499)</u>	<u>(1,194)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash received (paid) on short-term debt	(109,758)	59,758
Cash paid on long-term debt	<u>(9,375)</u>	<u>(8,431)</u>
Net cash provided by (used in) financing activities	<u>(119,133)</u>	<u>51,327</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(36,478)	171,436
CASH AND CASH EQUIVALENTS, beginning of year	<u>196,242</u>	<u>24,806</u>
CASH AND CASH EQUIVALENTS, end of year	<u>159,764</u>	<u>196,242</u>
SUPPLEMENTARY INFORMATION		
Cash paid for interest expense	<u>9,456</u>	<u>12,533</u>

See accompanying notes to financial statements.

SUMMIT CHRISTIAN COLLEGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Summit Christian College (the College) was founded in March 1951, and is a 4-year institution providing spiritual education. The general purpose of the College is to conduct education and evangelistic and benevolent work. The College is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes.

Financial Statement Presentation

The financial statements report amounts by class of net assets, as required by ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, as well as net assets for annuity reserves, donor-advised funds, or invested in property and equipment.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Basis of Accounting

The College uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Contributions

The College utilizes FASB ASC 958-605, *Not-for-Profit Entities Revenue Recognition*. This standard requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the College to distinguish asset category in accordance

SUMMIT CHRISTIAN COLLEGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued)

with donor-imposed restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributed Materials and Services

The College records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Volunteers

Many individuals volunteer their time and perform a variety of tasks that assist the College with their operations. Management estimates that it receives the equivalent in volunteer hours of two full time workers. The volunteer hours have not been recorded in the financial statements since those services do not meet the criteria for recognition.

Investments

The College has adopted FASB ASC 958-320, Not-for-Profit Entities, Investments - Debt and Equity Securities. FASB ASC 958-320 establishes standards of reporting at fair value certain investments, debt and equity securities, held by not-for-profit organizations.

Therefore, investments in equity securities that have a readily determinable fair value and all investments in debt securities are stated at fair value, with gains and losses included in the statements of activities. Fair value is determined by quoted market values. Investments in certificates of deposit are recorded at cost, which approximates fair value.

Accounts and Notes Receivable

The College extends unsecured credit to its students in the ordinary course of business but mitigates the associated credit risk by actively pursuing past-due accounts. Accounts receivable includes amounts due from students for tuition, room, and board. Uncollectible accounts receivable is expected to be insignificant. As such, no provision for doubtful accounts have been recorded.

SUMMIT CHRISTIAN COLLEGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventory values are insignificant. As such, inventory is recorded as an expense when purchased.

Property and Equipment

Property and equipment are stated at cost, if purchased or fair value, if donated. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

The College capitalizes and depreciates property and equipment acquired at recognized cost or fair market value amount of \$2,500 or more.

Depreciation

Depreciation on property and equipment is recorded on a straight-line basis over the following useful lives:

Buildings and improvements	10 - 50 years
Furniture, fixtures, and equipment	5 - 15 years
Equipment	3 - 10 years
Vehicles	3 - 8 years

Income Taxes

The College is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the College's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the College qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The College utilizes the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The College continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the College considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase. Excluded from this definition of cash equivalents are such amounts that represent funds that have been designated by the Board of Directors for investment.

SUMMIT CHRISTIAN COLLEGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Compensated Absences

Employees of the College are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. Compensated absences are recognized in the year earned.

Functional Expenses Cost Allocation

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis; and supplies and telephone costs, which are allocated based on usage studies conducted annually.

Advertising

Advertising costs of the College are expensed as incurred. For the years ended June 30, 2021 and 2020, advertising costs were \$23,599 and \$5,869, respectively.

NOTE 2. CASH AND INVESTMENTS

For the following disclosures, deposits; including checking accounts, savings accounts, money market accounts, and certificates of deposit; are all classified as cash or cash and cash equivalents on the financial statements.

The College has investments in certificates of deposit only, none of which are held for trading purposes.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. As of June 30, 2021, all of the College's deposits with financial institutions were uninsured and uncollateralized by the amount of \$141,028.

SUMMIT CHRISTIAN COLLEGE
NOTES TO FINANCIAL STATEMENTS

NOTE 3. SHORT-TERM NOTE PAYABLE

On February 27, 2019, the College obtained an operating line of credit in the amount of \$50,000 with First State Bank for the purpose of providing operating resources for cash shortfalls. The line of credit accrues interest at a rate of 6% and is due February 27, 2020. The balance of this line of credit as of June 30, 2021 and 2020 was \$- 0 - and \$38,625, respectively.

The College has a line of credit with First State Bank in the amount of \$57,750. The College obtained this line of credit to allow the U.S. Department of Education to draw upon as a condition of participation in the U.S. Department of Education's Title IV Higher Education Assistance programs. In the event of program administration errors results in overfunding of awards, the U.S. Department of Education may utilize this line of credit for repayment. The balance of this line of credit as of June 30, 2021 and 2020, was \$- 0 - and \$- 0 -, respectively.

On April 14, 2020, the College acquired a short-term note from First State Bank under the U.S. Small Business Administration's Paycheck Protection Program. Under this program, the loan may be forgivable upon satisfactory application. The College expects this loan to be fully forgiven in the near future. The note accrues interest at a rate of .99% and matures April 14, 2022. The balance of this note as of June 30, 2021 and 2020, was \$- 0 - and \$71,133, respectively.

NOTE 4. LONG-TERM DEBT

On September 15, 2011, the College entered into a mortgage loan agreement for \$320,000 with First State Bank on the purchase of the new College building. The note was rewritten February 15, 2013 and July 24, 2015. The mortgage bears interest at 6.0% and requires monthly payments of principal and interest of approximately \$1,511 through September 15, 2031. The mortgage is secured by a deed of trust on the College real estate. The balance of this loan as of June 30, 2021 and 2020, was \$138,627 and \$148,002, respectively.

The following is a summary of changes in long-term debt for the years ended June 30, 2021 and 2020.

	Beginning Balance	Additions	Repay- ments	Ending Balance
For the year ended June 30, 2021				
Note payable	<u>148,002</u>	<u> </u>	<u>(9,375)</u>	<u>138,627</u>
For the year ended June 30, 2020				
Note payable	<u>156,433</u>	<u> </u>	<u>(8,431)</u>	<u>148,002</u>

SUMMIT CHRISTIAN COLLEGE
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Future scheduled maturities of long-term debt are as follows:

Years Ended June 30,	Principal	Interest
2022	10,012	8,120
2023	10,638	7,494
2024	11,285	6,847
2025	12,010	6,122
2026	12,761	5,371
2027 - 2031	77,435	13,846
2032	4,486	47
Total	<u>138,627</u>	<u>47,847</u>

The total amount of interest expense for the years ended June 30, 2021 and 2020, was \$9,456 and \$13,078, respectively.

NOTE 5. OTHER LIABILITIES

Other liabilities consist of amounts payable to students for tuition, deposits, and other items.

NOTE 6. BOARD-DESIGNATED NET ASSETS

Designated Net Assets

The College has designated amounts for intended future use. Net assets at June 30, 2021 and 2020, were designated for the following purposes:

	2021	2020
Scholarships	<u>1,385</u>	<u>4,838</u>

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

Restricted by Purpose or Time

The College has received donations for the various College purposes in which the use of is prescribed by the donor, for which the conditions or use has not yet been satisfied. Net assets at June 30, 2021 and 2020, were temporarily restricted for the following purposes:

	2021	2020
Dormitory improvements	14,041	9,639
Scholarships	930	584
	<u>14,971</u>	<u>10,223</u>

SUMMIT CHRISTIAN COLLEGE
NOTES TO FINANCIAL STATEMENTS

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Restricted in Perpetuity

The College has received donations for the various College purposes in which the use of the principal contribution is permanently restricted and earnings may be unrestricted or temporarily restricted for a specified use. Net assets at June 30, 2021 and 2020, for permanently restricted principal balances and which earnings may be utilized for the following purposes:

	2021	2020
Scholarships	<u>136,444</u>	<u>35,459</u>

NOTE 8. CONCENTRATION OF CREDIT RISK

Accounts receivable potentially subject the College to concentrations of credit risk and consist primarily with several students. The College generally does not require collateral from its students. Such credit risk is considered by management to be limited due to the College's broad student base.

NOTE 9. PENSION PLAN

The College participates in the Christian Church Pension Plan (the Plan) to provide benefits for all full-time faculty staff that choose to become part of the Plan. The College will make an annual contribution of \$375 to the Plan for each participating employee. Pension expense was \$750 for the years ended June 30, 2021 and 2020, respectively.

NOTE 10. ENDOWMENT FUNDS

The College's endowment consists of approximately two individual funds established for scholarship purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investments must protect the interest of the corporation in the fulfillment of its mission, purposes and objectives, and nonprofit and tax-exempt status. Investment practices must be in accord with biblical principles.

The President is responsible for the investment of all contributions to the College. The President is responsible for the management of investments under \$100,000. The Finance Committee is responsible for the management of investments over \$100,000.

SUMMIT CHRISTIAN COLLEGE
NOTES TO FINANCIAL STATEMENTS

NOTE 10. ENDOWMENT FUNDS (Continued)

Changes in endowment net assets, are as follows:

	Beginning of Year	Investment Income	Utilizations	End of Year
For the year ended June 30, 2021				
Net Assets Without Donor Restrictions				
Board-designated	4,838		(3,453)	1,385
Net Assets With Donor Restrictions				
Restricted in perpetuity	<u>35,459</u>	<u>100,985</u>	<u> </u>	<u>136,444</u>
Total endowment net assets	<u>40,297</u>	<u>100,985</u>	<u>(3,453)</u>	<u>137,829</u>
For the year ended June 30, 2020				
Net Assets Without Donor Restrictions				
Board-designated	3,260	1,578		4,838
Net Assets With Donor Restrictions				
Restricted in perpetuity	<u>35,144</u>	<u>315</u>	<u> </u>	<u>35,459</u>
Total endowment net assets	<u>38,404</u>	<u>1,893</u>	<u> </u>	<u>40,297</u>

NOTE 11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The College's financial assets available to meet cash needs for general expenditures within one year of June 30, 2021 and 2020, excluding financials assets not available for general use because of contractual or donor-imposed restrictions are as follows:

	2021	2020
Cash and cash equivalents	159,764	196,242
Investments, at cost	<u>1,385</u>	<u>4,838</u>
Financial assets available to meet cash needs for general expenditures within on year	<u>161,149</u>	<u>201,080</u>

As part of the College's liquidity management, the College has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the College invests cash in excess of daily requirements in short-term investments.

SUMMIT CHRISTIAN COLLEGE
NOTES TO FINANCIAL STATEMENTS

NOTE 12. ZONE ALTERNATIVE REQUIREMENTS

On March 5, 2019, the College was notified by the U.S. Department of Education of special requirements known as Zone Alternative Requirements for continued participation in federal Title IV student financial aid programs. The College has made necessary changes to comply, and believes it is in full compliance with the provisions of the Zone Alternative Requirements.

NOTE 13. SUBSEQUENT EVENT

In preparing the financial statements, the College has evaluated events and transactions for potential recognition or disclosure through October 28, 2021, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**SUMMIT CHRISTIAN COLLEGE
COMPOSITE SCORE SUPPLEMENTAL SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

Primary Reserve Ratio:		1.0
	<u>Expendable Net Assets:</u>	
Statement of Financial Position	Net assets without donor restrictions	\$ 754,471
Statement of Financial Position	Net assets with donor restrictions	151,415
Not Applicable	Secured and unsecured related party receivable	
Not Applicable	Unsecured related party receivable	
Statement of Financial Position	Property and equipment, net (includes construction in progress)	837,408
Statement of Financial Position	Property and equipment pre-implementation	837,408
Not Applicable	Property and equipment post-implementation with outstanding debt for original purchase	
Statement of Financial Position	Property and equipment post-implementation without outstanding debt for original purchase	
Statement of Financial Position	Construction in progress	
Not Applicable	Lease right-of-use asset, net	
Not Applicable	Lease right-of-use asset, pre-implementation	
Not Applicable	Lease right-of-use asset, post-implementation	
Not Applicable	Intangible assets	
Not Applicable	Post-employment and pension liabilities	
Statement of Financial Position, Notes of the Financial	Long-term debt - for long term purposes	128,615
Not Applicable	Long-term debt - for long term purposes pre-implementation	
Not Applicable	Long-term debt - for long term purposes post-implementation	-
Not Applicable	Line of credit for construction in progress	-
Not Applicable	Lease right-of-use asset liability	-
Not Applicable	Pre-implementation right-of-use asset liability	-
Not Applicable	Post-implementation right-of-use asset liability	-
Not Applicable	Annuities with donor restrictions	-
Not Applicable	Term endowments with donor restrictions	-
Not Applicable	Life income funds with donor restrictions	-
Statement of Financial Position	Net assets with donor restrictions: restricted in perpetuity	136,444
	<u>Total Expenses and Losses:</u>	
Statement of Activities	Total expenses without donor restrictions	804,436
Statement of Activities	Net investment gains (operating and non-operating)	
Statement of Activities	Net investment gains (operating and non-operating)	
Not Applicable	Pension - related changes other than net periodic costs	-
Equity Ratio:		0.8
	<u>Modified Net Assets:</u>	
Statement of Financial Position	Net assets without donor restrictions	754,471
Statement of Financial Position	Net assets with donor restrictions	151,415
Not Applicable	Intangible assets	
Not Applicable	Secured and Unsecured related party receivables	-
Not Applicable	Unsecured related party receivables	
	<u>Modified Assets:</u>	
Statement of Financial Position	Total assets	1,152,173
Not Applicable	Lease right-of-use asset pre-implementation	
Not Applicable	Pre-implementation right-of-use asset liability	
Not Applicable	Intangible assets	-
Not Applicable	Secured and unsecured related party receivables	-
Not Applicable	Unsecured related party receivables	-
Net Income Ratio:		0.0
Statement of Activities	<u>Change in Net Assets Without Donor Restrictions</u>	36,505
Statement of Activities	<u>Total Revenues and Gains</u>	841,520
Total Composite Score		2.8



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Summit Christian College
Gering, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Summit Christian College (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Summit Christian College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Summit Christian College's internal control. Accordingly, we do not express an opinion on the effectiveness of Summit Christian College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Summit Christian College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana F Cole + Company, LLP

Scottsbluff, Nebraska
October 28, 2021

SUMMIT CHRISTIAN COLLEGE
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2021

There are no current year findings.

SUMMIT CHRISTIAN COLLEGE
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2021

2020-001 SEGREGATION OF DUTIES

Condition

The College has not employed an internal control system that sufficiently segregates accounting functions to a degree that reasonably reduces the risk that fraud could occur and not be detected.

Status

Corrected.